



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: Mayor & City Council

FROM: Dan Caris, Planning Director

DATE: January 24, 2022

AGENDA TEXT: RESOLUTION 2022-02 – A Resolution authorizing the creation of the Fruita Housing Authority.

BACKGROUND

On December 21, 2021, City Council directed staff to initiate the process to formally create a housing authority to operate within the City of Fruita.

Housing Authority. The creation of a housing authority is a statutory process that includes the following:

- (1) a petition of 25 Fruita residents stating the need for a housing authority,
- (2) specific legal noticing provisions, and
- (3) conducting a public hearing process to make certain findings.

It is important to note that the previously listed items are separate from our City Charter and Municipal Code, which means this is a different process and result than the City's typical Boards and Commissions process. Once created the Fruita Housing Authority would function as a separate entity than the City.

Petition. A petition for creation of a City of Fruita Housing Authority was submitted to the City Clerk's office on January 7, 2022, at 2:15 p.m. The City Clerk's office has compared the signatures and addresses on the petition with utility billing records of the City and records of the Mesa County Assessor's Office and confirmed that the petition was signed by twenty-five residents of the City of Fruita. The City Clerks certification has been attached and made a part of the official record.

Findings. It is important to note that certain findings need to be determined to formally establish the creation of a housing authority. Many of these findings apply specifically to the petition and legal noticing of a public hearing, so members of the public are notified to participate in the process of determining the need for a housing authority to function in the City. Resolution 2022-02 contemplates items listed under Section 1 as the parameters by which findings are determined.

Section 1.D. There is a lack of safe or sanitary dwelling accommodations in the City available to the inhabitants thereof.

Economic Planning Systems has been retained to perform the necessary analysis surrounding housing needs for the local workforce, develop housing goals/policies, and determine the relationship between housing and real estate purchases and the need for affordable/workforce housing. As a result of their

work, the following information appears as justification that there is a lack of sanitary dwelling accommodations in the City for the inhabitants thereof.

- In 2015 a household with 1.5 earners at the median wage of \$38,000 (\$18.26/hr) could afford the median priced home in Fruita. However, the affordability gap in 2020 has home prices rising about \$67,000 higher than what a median wage earner can afford (assume 1.5 earners per household)
- 52% of all renter households are cost-burdened spending over 30% of gross income on rent.
- Fruita had the highest median rent increased from 2010-2019 \$867 to \$1,169 (+35 percent)
- In 2021 vacancy rates for multifamily in metro area is below 5% creating barriers in obtaining long term rental access.
- There is need for more housing diversity to address affordability.

FISCAL IMPACT

There is no specific fiscal impact with acting on Resolution 2022-02 creating a housing authority to operate in the City. However, as specific housing goals and programmatic details are established, it will in most cases come with some form of financial commitment. How that is accomplished is yet to be codified or created as a part of this process. This is the first step is determining how the City and/or other organizations can assist with creating more housing options for our workforce and community at large.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

Fruita in Motion: Plan like Local 2020 Comprehensive Plan

- Fruita is committed to a land use pattern and supporting policies that promote access to housing across the income spectrum of residents (p. 2)
- Allow and encourage a diversity of housing types to fit the needs of the Fruita community and provide the diverse “funky” character that is treasured by residents (p. 39)
- Housing choices close to jobs to support labor force (p. 46, graphic)
- The availability and cost of suitable rental housing was cited [as a factor in a workforce shortage] (p. 50)
- Support flexibility in zoning and the development of diverse housing types as part of an economic sustainability strategy (p. 58)

OPTIONS AVAILABLE TO THE COUNCIL

APPROVE/ DENY RESOLUTION 2022-02 A RESOLUTION AUTHORIZING THE CREATION OF THE FRUITA HOUSING AUTHORITY